



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

May 14, 1998

By Overnight Express

DOCKET FILE COPY ORIGINAL

Magalie R. Salas, Secretary
Office of the Secretary
Federal Communications Commission
Washington, D.C. 20554

RE: CC Docket 96-45 and 97-160 ✓
Proposals to Revise the Methodology For
Universal Service Support

DA 98-715: Comments of the PaPUC

Dear Ms. Salas:

I am filing these Comments on behalf of the Pennsylvania Public Utility Commission (PaPUC) regarding the Proposals to Revise the Methodology for Universal Service Support.

I have also enclosed a copy to be time-stamped and returned to me in a stamped-self addressed envelope. I thank you for your assistance in this matter.

Sincerely,

Joseph K. Witmer,
Assistant Counsel
PaPUC Law Bureau
P.O. Box 3265
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(717) 787-3663

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of)
)
Federal-State Joint Board on) CCB Docket No. 96-45
) CCB Docket No. 97-160
Universal Service:)
Universal Service Support Methodology)

**COMMENTS OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
ON PROPOSALS TO REVISE THE METHODOLOGY FOR
UNIVERSAL SERVICE SUPPORT**

I. INTRODUCTION

Pursuant to FCC Public Notice DA 98-715, released on April 15, 1998, the Pennsylvania Public Utility Commission (PaPUC) submits these Comments on the Proposals for Revising the Methodology for Determining Universal Service Support (Universal Service Support) in the above-captioned dockets. The PaPUC incorporates the comments of the other parties to this proceeding to the extent they are consistent with the Comment and position of the PaPUC.

II . THE PENNSYLVANIA POSITION

1. The more rural states in this petition base their position on Section 254 of the Telecommunications Act of 1996 (TA-96). PaPUC believes that Section 254 of the TA-96 requires that quality services be available at just, reasonable, and affordable rates. The PaPUC also believes that access to high cost areas, and rural areas in particular, must be reasonably comparable to those provided to services provided in urban areas.

2. The PaPUC is particularly concerned with rural areas. Pennsylvania has the largest number of rural residents in the nation. Vermont, a proximate state, has the largest percentage of rural population of the states. In light of these facts and Section 254, the PaPUC submitted a Reconsideration Petition governing the delivery of services to rural schools and libraries and health care providers in this docket and USB 98-36.

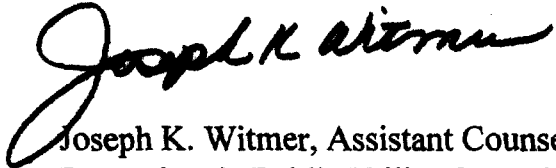
3. The PaPUC is taking additional action here because Pennsylvania is an urban state and a rural state. Any large *increase* in support for rural areas will be felt in urban rates. Conversely, any large *decrease* in urban support for rural areas will be felt in

rural rates. The PaPUC supports the requirements of Section 254 and the concerns of the rural states even as it performs a very delicate balancing act in light of the competing considerations on the ground in Pennsylvania. The PaPUC believes that any action taken under Section 254 must be consistent with the other provisions of the TA-96 as well.

4. The PaPUC thinks that the concerns identified by the rural states in this proceeding, in particular the concerns of Maine and Vermont, deserve serious consideration and examination by the FCC. The confluence of demography and rates in Pennsylvania, as well as Vermont and Maine, lends credence to this request. The PaPUC recognizes that the determinations in this proceeding could have rate impacts to service providers in rural and urban Pennsylvania. That is also true for rural America generally.

5. The PaPUC will refine its position and concerns in Reply Comments filed with the FCC. The PaPUC thanks the FCC for providing this opportunity for comment and reiterates its support for Section 254 as it applies to rural areas in particular.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joseph K. Witmer". The signature is fluid and cursive, with the first name "Joseph" being the most prominent part.

Joseph K. Witmer, Assistant Counsel
Pennsylvania Public Utility Commission

Frank Wilmarth, Deputy Chief Counsel
Pennsylvania Public Utility Commission
Bohdan R. Pankiw, Acting Chief Counsel
Pennsylvania Public Utility Commission.

CERTIFICATE OF SERVICE

I, Joseph K. Witmer, hereby certify that I have on this 14th day of May, 1998, served a true and correct copy of the foregoing document upon the persons and in the manner indicated below:

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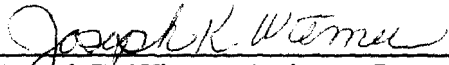
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